MIC

The Myanmar Investment Commission

Union of Myanmar
Form (2)
Sr. No. 615
Dated 11.7.97
Myanmar Investment Commission

PERMIT

Permit No. 278/97 *Date* 11th JULY 1997

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter U SIT NYEIN

(b) Citizenship MYANMAR

(c) Address NO. 142, SULE PAGODA ROAD, KYAUKTADA TOWNSHIP, YANGON

(d) Name and address of principal organization STELLAR MYANMAR CO., LTD, YANGON

(e) Place of incorporation YANGON

(f) Type of business in which investment is to be made MANUFACTURING AND MARKETING OF LV POWER CABLE & LV UNDERGROUND CABLE

(g) Place (s) at which investment is permitted HLAING THAR YAR INDUSTRIAL ZO PHASE III,

(h) Amount of foreign capital US $ 8.6585 MILLION

(i) Period for bringing in foreign capital WITHIN 12 MONTHS FROM THE DATE OF INCORPORATION OF THE COMPANY

(j) Total amount of capital (Kyat) 54.351 MILLION (KYAT FIFTY FOUR MILLION THREE HUNDRED AND FIFTY ONE THOUSAND ONLY)

(k) Permitted duration of investment 25 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR SIGMA CABLE COMPANY LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုမြန်မာနိုင်ငံတော်
ပုံစံ (၂)
စာအမှတ် [illegible]
နေ့စွဲ [illegible]
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၇၈/၉၇ ၁၉၉၇ ခုနှစ်၊ ဇူလိုင် လ ၁၁ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် ဦးစစ်ငြိမ်း

(ခ) မည်သည့်နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ အမှတ်(၁၄၂) ဆူး လေဘုရားလမ်း၊ ကျောက်တံတားမြို့နယ် ရန်ကုန်မြို့

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ STELLAR MYANMAR CO., LTD. ရန်ကုန်မြို့

(င) ဖွဲ့စည်းရာအရပ် ရန်ကုန်မြို့

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ဓာတ်စစ်ကြိုးများထုတ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) လှိုင်သာယာစက်မှုဇုန်အပိုင်း (၃)

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၈.၆၅၈၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကုမ္ပဏီဖွဲ့စည်းတည်ထောင်ပြီး (၁၂) လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) ၅၄.၃၅၁ သန်း
(ကျပ်ငါးဆယ့်လေးသန်း၊ သုံးသိန်း၊ ငါးသောင်းတစ်ထောင်တိတိ)

(ဍ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၂၅ နှစ်

(ဋ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR SIGMA CABLE COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/409/97 (615)
Dated : 11th July 1997

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing and Marketing of LV Power Cable & LV Underground Cable" under the name of "Myanmar Sigma Cable Company Limited".

Reference: Department of Human Settlement and Housing Development Letter No. Aa Ka Ta/198/97(778) dated 25-6-97.

1. The Myanmar Investment Commission, at its meeting 10/97 held on 27-6-97 had reviewed the proposal for investment in "Manufacturing and Marketing of LV Power Cable & LV Underground Cable" under the name of "Myanmar Sigma Cable Company Limited" submitted as a Joint Venture among Stellar Myanmar Co., Ltd., Sigma Cable Co., Pte. Ltd. of Singapore and Charoong Thai Wire & Cable Public Co., Ltd. of Thailand. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 26/97 held on 9-7-97 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 25(Twenty Five) years from the date of signing of the Lease Agreement and extendible for another two 5(Five) years terms upon mutual agreement between Department of Human Settlment and Housing Development and Myanmar Sigma Cable Company Limited subject to the approval of the Myanmar Investment Commission. At the expiry of the leased period, Myanmar Sigma Cable Company Limited shall transfer the land and immovable properties to Department of Human Settlement and Housing Development within 3(Three) months in good condition, ground damages having been refilled or repaired.

4. The annual rent shall be US $ 3 (United States Dollars Three Only) per square metre per annum for the project area (25,588.29 square meters) to the amount of US $ 76,764.87 (United States Dollars Seventy Six Thousand Seven Hundred and Sixty Four and Eighty Seven Cent Only). Payment of the rent shall be made in advance annually within the first month of every financial year. The rent

shall be reviewed every 5(Five) years and the increase of the rent shall not be more than 15(Fifteen) percent of the preceding annual rent.

5. After 5(Five) years operation, Stellar Myanmar Co., Ltd. shall have the right to buy maximum 7.5(Seven point Five) percent each of the shares held by Sigma Cable Co., Pte. Ltd. and Charoong Thai Wire & Cable Public Co., Ltd. at fair market price if Stellar Myanmar Co., Ltd. needs.

6. Myanmar Sigma Cable Company Limited shall pay for maintenance of the Industrial Zone Management fee as prescribed by the Management Committee of the Industrial Zone.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Sigma Cable Company Limited shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Sigma Cable Company Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Sigma Cable Company Limited shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income-tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-year tax holiday period.

(e) As per Section-21(e), Myanmar Sigma Cable Company Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar Sigma Cable Company Limited. shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Sigma Cable Company Limited shall file the case, if any, to the

Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

8. Stellar Myanmar Co., Ltd. shall have to sign Joint Venture Agreement with Sigma Cable Co., Pte. Ltd. and Charoong Thai Wire & Cable Public Co., Ltd. Myanmar Sigma Cable Company Limited shall have to sign the Lease Agreement with Department of Human Settlement and Housing Development. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Sigma Cable Company Limited, in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Sigma Cable Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar Sigma Cable Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

14. Whenever Myanmar Sigma Cable Company Limited brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

16. Myanmar Sigma Cable Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Myanmar Sigma Cable Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-5-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. Myanmar Sigma Cable Company Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

19. Myanmar Sigma Cable Company Limited, in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary
(Minister at the Deputy Prime Minister's Office)

U Sit Nyein
Stellar Myanmar Co., Ltd..
c/o Director General
Department of Human Settlement and Housing Development.

cc: 1. Office of the Chairman of State Law and Order Restoration Council

2. Office of the State Law and Order Restoration Council
3. Office of the Government of the Union of Myanmar
4. Deputy Prime Minister's Office
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
14. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Director General, Directorate of Trade
22. Director General, Immigration and Manpower Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Chamber of Commerce and Industry